

**ARIZONA STATE PARKS BOARD
PEORIA COUNCIL CHAMBERS
8401 W. MONROE ST., PEORIA, AZ.
FEBRUARY 20, 2009
MINUTES**

Board Members Present:

Tracey Westerhausen, Vice Chairwoman
William Scalzo
Arlan Colton
Larry Landry (arrived at 9:10 a.m.)
Mark Winkleman

Board Members Absent:

Reese Woodling, Chairman
William Cordasco

Staff Members Present:

Kenneth E. Travous, Executive Director
Jay Ziemann, Assistant Director, Partnerships and External Affairs
Jay Ream, Assistant Director, Parks
Brad McNeill, Acting Assistant Director, Administrative Services
Cristie Statler, Assistant Director, Outreach
Debi Busser, Executive Secretary
Doris Pulsifer, Chief of Grants
Ruth Schulman, Administrative Assistant III, Grants
Ellen Bilbrey, PIO

Attorney General's Office:

Laurie Hachtel, Assistant Attorney General

A. CALL TO ORDER - ROLL CALL – 9:00 A.M.

In Chairman Woodling's absence, Vice Chairwoman Westerhausen called the meeting to order at 9:07 a.m. and acted as Chairwoman throughout the meeting. Roll Call indicated that a quorum was present.

B. EXECUTIVE SESSION - Upon a public majority vote, the Board may hold an Executive Session, which is not open to the public for the following purposes:

1. To discuss or consult with its legal counsel for legal advice on matters listed on this agenda pursuant to A.R.S. §38-431.03.A.3.
 - a. Ramifications of suspending grant contracts
 - b. Ramifications of closing parks, deed restrictions, covenants
2. Discussions or consultations with designated representatives of the public body in order to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property matters listed on this agenda pursuant to A.R.S. §38-431.03.A.7.
 - a. Contact Point Recreation and Public Purpose Lease

3. **To discuss or consider employment, assignment, appointment, promotion, demotion, dismissal, salary, discipline or resignation of a public officer, appointee or employee of any public body pursuant to A.R.S. §38-431.03.A.1.**
 - a. **Hiring an Executive Director**
 - b. **Personnel Actions, Including Lay-Offs, Reductions-In-Force, and Furloughs**

Mr. Colton made a motion to go into Executive Session. Mr. Winkleman seconded the motion and the motion carried unanimously.

Chairwoman Westerhausen called for Executive Session at 9:09 a.m.

Chairwoman Westerhausen reconvened the Board meeting at 10:00 a.m.

C. INTRODUCTIONS OF BOARD MEMBERS AND AGENCY STAFF

The Board and Agency Staff, having previously introduced themselves, Mr. Colton read the Board Statement as follows:

1. **Board Statement - "As Board members we are gathered to be the stewards and the voice of Arizona State Parks' Mission Statement: Managing and Conserving Arizona's Natural, Cultural, and Recreational Resources, Both In Our Parks and Through Our Partners for the Benefit of the People."**

Dignitaries in the audience introduced themselves.

Mr. Landry made a preliminary statement to the audience. He stated that the Board are volunteers, appointed by the Governor. This agency's staff have been working 24X7 trying to solve the budget problems the Board faces. The last thing anyone here wants to do is to close any park. This Board has read a stack of letters. Staff have been open to any ideas – large or small. This year more than half of the Board's budget was taken away. The Board will do the best they can to minimize the impact of the budget. The staff is not the problem here. The Board is not the problem. The legislature is the problem. The Board are open to any ideas. The Board has to make difficult choices for 2009. The Board can only play the hand it was dealt. Staff are not the enemy.

D. CONSENT AGENDA

1. **Approve Minutes of January 9, 2009, Arizona State Parks Board meeting**
2. **Approve Executive Session Minutes of January 9, 2009, Arizona State Parks Meeting**
3. **Approve Minutes of February 3, 2009, Arizona State Parks Board meeting.**

Mr. Scalzo made a motion to approve the Consent Agenda. Mr. Landry seconded the motion and the motion carried unanimously.

E. DISCUSSION ITEMS

1. **Discussion on Issuance of the Off Highway Vehicle Licenses by Motor Vehicle Division**

Mr. Ziemann reported that in January the agency received just over \$500,000 from the fund.

Chairwoman Westerhausen asked if that money has been swept to date.

Mr. Ziemann responded that it has not.

Mr. Landry stated that the Board may want to take action to be consistent with statute on how those funds will be spent as it does help the Board's budget problem.

Mr. Travous responded that that issue will be discussed in the overall budget.

2. Composition of the Off Highway Vehicle Sub-Committee

Chairwoman Westerhausen reported that Joe Sako(?) of Game and Fish and Brad Powell of Trout Unlimited were approved to be members of the Off-Highway Vehicle Subcommittee. She stated that she hoped the Board would support them in their endeavors on the sub-committee.

Board Action

Mr. Landry: I move that the Chairwoman's recommendations be approved.

Mr. Winkleman seconded that motion and it carried unanimously.

3. Contact Point request from Lake Havasu City regarding BLM lease

This item was removed from the Agenda.

4. Governor's Task Force on Arizona State Parks

Mr. Ziemann reported that former Land Commissioner and member of the Parks Board Michael Anable is now the Governor's advisor on the environment and environmental issues. He met with Mr. Anable Tuesday afternoon and spoke with him about the Task Force and Mr. Anable stated that he was unaware of the existence of the Task Force on Arizona State Parks (aka The Blue Ribbon Study Committee).

5. Update on the hiring of the Executive Director

a. Executive Director's Hiring Subcommittee report.

Mr. Scalzo, Chairman of the Executive Director's Hiring Subcommittee, reported that he has been working with the subcommittee members and ADOA. Almost 500 applications have been received for the Executive Director's position. They have been placed in tier groupings. The subcommittee would like to move forward. Their goal is to keep moving forward. They will meet to review the applications on March 19 and come back to the Board at the April meeting with a short list. He added that recruitment for this position has ceased.

Ms. Hachtel added that the candidates being reviewed at the subcommittee's March 19 meeting will be those on the first tier. The subcommittee will need the Board's approval to do so.

Board Action

Mr. Scalzo: I move that the Executive Director Hiring Subcommittee continue to move forward on the schedule for hiring a new Executive Director and that the Board approve the subcommittee's hiring schedule and delegates to the subcommittee to initiate Tier One reviews in March and report back to the Board at the April Parks Board meeting. Mr. Winkleman seconded the motion and the motion carried unanimously.

6. Legislative Update.

Mr. Ziemann reported that the legislature is focusing on the budget. There is one bill in the House that staff are interested in. It is a strike everything – HB2088. It would take \$20M from the Land Acquisition Fund (Growing Smarter) and redistribute it to some of the budget cuts. \$13M will come to Arizona State Parks (ASP). That proposal took its first small step when it passed the House Government Committee. It will be on the Rules Committee Agenda on Monday. It would change funding for a fund that was voter approved and will require $\frac{3}{4}$ of the legislature to pass.

Chairwoman Westerhausen asked if there is anything people here can do to help with this bill.

Mr. Ziemann responded that they can certainly let their legislators know this is an option to keep parks open.

Mr. Landry noted that the Growing Smarter bill was voter approved.

Mr. Winkleman added that it is a long shot.

Mr. Scalzo stated that this could help us. It is important to everyone at this stage. It is critical. The last thing the Board wants to do is close parks and lose staff. It is much easier for the public to push this. It is going to take a lot of effort. It could mean that the parks system remains as we know it.

Mr. Colton noted it could be a win/win situation.

7. Budget update on Fiscal Years 2009 and 2010

- 8. Fiscal year 2009 Arizona State Parks Budget reduction measures** - Including but not limited to; Park closures, reduction of park hours/days of operation, personnel actions, furloughs, reduced work schedules, hiring freezes, salary reductions, reductions in force for covered employees, layoffs for uncovered employees, reducing administrative expenses (Phoenix Office), suspension of grants and the legal ramifications, alternative funding including capital funds, Heritage Funds, Law Enforcement Boating Safety Fund, Off Highway Vehicle "sticker revenue".

Mr. Travous gave a PowerPoint presentation (hard copy of which is attached at the end of these Minutes).

Chairwoman Westerhausen asked that all questions from the Board be deferred until after the presentation is completed.

Chairwoman Westerhausen called for a Recess at 11:05 a.m.

Chairwoman Westerhausen Reconvened the meeting at 11:10 a.m. She then moved to Agenda Item G.2.

G. PRESENTATIONS

2. Recognition for Service

Chairwoman Westerhausen presented a plaque from the Board to Mr. Mark Siegwarth, former Assistant Director of Administrative Services, for his contributions to the agency and the Board.

E. DISCUSSION ITEMS

- 8. Fiscal year 2009 Arizona State Parks Budget reduction measures** - Including but not limited to; Park closures, reduction of park hours/days of operation, personnel actions, furloughs, reduced work schedules, hiring freezes, salary reductions, reductions in force for covered employees, layoffs for uncovered employees, reducing administrative expenses (Phoenix Office), suspension of grants and the legal ramifications, alternative funding including capital funds, Heritage Funds, Law Enforcement Boating Safety Fund, Off Highway Vehicle "sticker revenue".

Chairwoman Westerhausen then took comments from the audience relating to Mr. Travous' presentation earlier. She noted that because of the large number of people wishing to address the Board, she was imposing a three-minute time limit on each speaker.

Prior to inviting the speakers to the podium Mr. Travous noted that there are corrections to one of the slides. When he said we are \$1.6M short, we are really more than \$3M short.

Ms. Susan Secakuku, representing the Hopi Tribe, addressed the Board regarding the possible closure of Homolovi State Park. She noted that in 2003 staff looked at ways to get beyond the problems they were experiencing then. A Memorandum of Understanding was signed. She noted that that MOU has been in effect for six years. Homolovi State Park has a strong interest to the Hopi Tribe. It is an ancestral village to the Tribe. All ancestral villages have strong ties to the Tribe. She stated that the Hopi Tribe is willing to contribute funds to help keep the park open and that this can be discussed later with staff. She asked that the Board consider keeping Homolovi open and see if the MOU can be strengthened to keep it open. She reminded the Board that Homolovi is the Gateway to the Hopi Reservation. Homolovi is a place of learning.

Mr. Dale Singua, Hopi Tribal Council Member, addressed the Board regarding Homolovi State Park. He stated that he represents the Hopi Tribal Council. He noted that these are trying times. But we have to figure out ways to keep things going. He strongly wishes to start a strong dialogue to see if the Homolovi be kept operational. There are ways to fix these trying times. Mr. Landry noted that tribal members will be in Phoenix next week for other meetings and suggested that perhaps they can meet with staff while they are here.

Jesse Thompson, Navaho County Supervisor representing the Hopi, Navaho, and the City of Winslow, addressed the Board. He thanked the board for everything they have done. They want to continue to keep Homolovi open. They have a couple of parks that really matter to them. The grants they receive may be small but they mean a lot to them. Homolovi is the Gateway to the Navaho/Hopi reservations. It is critical to the town of Winslow. The school children go the park regularly. A lot of research is being done in that area.

Ms. Penny Pew, Community to Save Lyman Lake, addressed the Board. She presented letters from Apache County and surrounding communities to the Board. There are also letters from the school children. She noted that Apache County is one of the poorest counties in Arizona. The 40,000 visitors the park brings in are very important to their

economy. She thanked the Board for their efforts. They will get on board with the legislation discussed earlier.

Rebecca Hecksel, town of Gilbert, was not still present to address the Board.

Lieutenant Alan Nelson, La Paz County Sheriff, addressed the Board. He stated that his comments also reflect the feelings of the La Paz County Sheriff. Four of the parks are in waterways that La Paz County is responsible for, with Buckskin Mountain State Park, the Parker Strip, Cattail Cove, and Lake Havasu State Park being extremely well-utilized by the boating public. Without LEBSF grants, the county's ability to control those waterways are greatly diminished. Without the level of enforcement they have now, he fears that there is a greater risk of death and injury. Years ago the Parker Strip was known as "Blood Alley". If officers are pulled off the water, the rest of the county is in danger. They only have 16 officers to cover the entire county. By taking away the LEBSF money, the action would jeopardize nearly or possibly more than \$700,000 in federal funds that the Game and Fish Commission gets from a trust fund from the Coast Guard. One-third of that funding from the Coast Guard is based on matching funds. The Game and Fish Commission accomplishes those matching funds through the money from boating registration which goes into LEBSF. That money is specifically for boating safety, education, enforcement and accident investigation purposes. To divert these funds from their intended purposes will mean a significant loss of federal funds. He urged the Board to consider the ramifications of taking the LEBSF away from its legislatively intended purposes.

Mr. Landry pointed out that the Board cannot give what it does not have. While he agrees with Lieutenant Nelson's comments, this Board is not the right forum for that discussion.

Lieutenant Nelson responded that all he knows is that \$500,000 was taken by the legislature and there's nothing they can do about that. However, in the proposal that is being put out here will take any remaining funds that may be accrued through the end of this fiscal year from the Game and Fish Commission.

Mr. Colton added that the point is that there is no money. Unlike the federal government, the Board does not have a printing press. In the context of what is going on here, today, the Board would like to hear any ideas the audience might have.

Ms. Mary Wills, Jerome, AZ addressed the Board. They are obviously small fish after hearing about the other grant recipients. She stated she was speaking on behalf of the Sullivan Building Grant #640705. She displayed their "big check" and stated that they are having difficulty cashing it. The Sullivan Building is a small historic building on Main Street that they received a \$150,000 for structural work on the back wall. She noted that they are 25% into the Grant and 70% into the \$98,000 construction contract. The way the grant works is that they pay for it and receive a percentage of reimbursement. She requested that the Board let them know if they have any suggestions on how they can finish their building.

Ms. Nancy Smith, the Great Arizona Puppet Theater, addressed the Board. She stated that they are happy when they are able to work with ASP Heritage Fund staff. The Puppet Theater appreciates them. She is still confused. Will their money ever come back to this project? They want to do things correctly. She is also confused because the

Heritage money came from the Lottery. How can the legislature take that money? She is concerned about the value of the building being considered in terms of dollars rather than what they do. She noted that ASP is not McDonald's.

Mr. Rob LaFontaine, City of Bullhead City, addressed the Board. He noted that Bullhead City cannot finish their project by the end of the month, but that it is almost complete. He expressed his regret that it appears their grant may be suspended.

Captain Greg Smith, Mohave County Sheriff's Office, addressed the Board. He noted that \$500,000 LEBSF was not re-appropriated by the Board but taken by the legislature. He asked if there are re-allocations in the pipe for LEBSF.

Mr. Travous responded he doesn't know of other allocations other than HB2088.

Capt. Smith noted that the legislature took \$500,000. He asked if this was what was taken or remaining.

Mr. Travous responded that it was what was remaining.

Capt. Smith noted that the Board has a difficult job. If they don't get those funds, they will have to lay off officers and will not have control of Lake Havasu. They cannot take their people off the street to cover the waterway.

Ms. Michele Rappaport and Mr. Alan Sorkowitz, seeitbeforeitcloses.com, addressed the Board. He stated that they have been Arizonans for only three years and have fallen in love with Arizona. When they got word of the potential closures, they were sad and angry. They want to convince the Board to keep parks open. After seeing the presentation, Mr. Sorkowitz stated that he has a better understanding of what is going on. Their website will now direct people to the legislators to try to get funding restored to the parks.. These are bad times economically. We are in a depression of spirit. The parks are a way to address that. They will be in demand over the next year or so. They worry about the effects of the closure of parks.

Mr. Dick Powell, Mayor pro tem, City of Casa Grande, addressed the Board. He stated that they understand the Board are the good guys and appreciate them. They were awarded a Heritage Fund Grant for their Rodeo Grounds. Casa Grande's biggest claim to fame is that they hold the largest Native American Rodeo in the state, and the second largest in the US. The bleachers at the rodeo grounds could not be used this last month (the 43rd year of the rodeo). Without this grant they cannot repair the bleachers that are falling down. He believes that the Heritage Fund should not be completely swept. He would like to see a percentage of the Heritage Fund be granted. They only received 5% of their grant money. They are also deeply in debt on this project.

Granting no money is like saying the Heritage Fund is of no value to the State of Arizona. He urged the Board to grant a percentage of the money so they can cash their check for a portion of what it was written for by the State of Arizona.

Mr. Larry Raines, Deputy City Manager for the City of Casa Grande, addressed the Board. He noted that the Board has heard their compelling argument from the Mayor pro tem. It is certainly not unlike the stories the Board has and will hear today. During the presentation earlier he heard the words "cancel" and "suspend". He asked for a clearer picture of their definitions. As was noted, Casa Grande has expended funds and asked if there is an opportunity to proceed with this project. His second question

related to HB2088. If any of those funds are approved, would there be money allocated to the Heritage Funds and these grants or would it go specifically to the operations of the parks?

Ms. Cindy Krupicka, President, Friends of Oracle State Parks, addressed the Board. She noted they have 80 members and that Oracle State Park is a magical place. In working with nearby residents, children, and others she learned that they need the park. She noted that more than 2,000 per year visit the park. She presented the Board with letters from children regarding the park. The Friends of Oracle State Park have proposed helping with a portion of the operational cost of the park until June 30 and then revisiting that after the next fiscal year begins. So far they have donated more than \$80,000 to the park which ASP could not budget for. They are a strong group and are willing to do whatever is necessary to keep the park open. They have created a Marketing Committee and are coming up with ideas on how to market the park in the area. She suggested that perhaps there could be more marketing efforts for Oracle State Park. There is no sign on the highway to show that the park is there. They are willing to place a sign on the highway for the park. She stated that the Board must keep this 4,000 acres of grassland and desert park open. The Board must preserve the history. Closing the gates would hurt the rich heritage of this area. The community of Oracle needs the park open. Closing the park would affect thousands of people.

Mr. Ron Feller, resident of Saddlebrooke, AZ addressed the Board. He stated he is a volunteer at Oracle State Park. He does trail maintenance and maintains the gardens. He does not believe looking at cost-per-visitor is fair. Rather than looking at the cost of keeping the park open, he believes it is better to look at keeping the park open by using an extra Ranger and an extra man-year using volunteers. He feels that the park system should be looked at in its entirety. He also believes that rather than furlough 10 people, all personnel should be furloughed. This way all parks would be open to all people. He urged the Board to keep Oracle State Park open.

Ms. Kathi Sanders, private citizen, addressed the Board. She stated that she has been here four months and has fallen in love with Oracle State Historic Park. She requested that the Board reconsider using volunteers. They have a core group of volunteers at Oracle that are very knowledgeable about the park. Thousands of school children are scheduled to come to the park in March and April to participate in their environmental education program. She urged the Board to keep the park open.

Joseph Dedman, Jr., Apache County Sheriff's Dept., was scheduled to address the Board but had left the meeting.

Mr. Bill John, Friends of Oracle State Park, addressed the Board. Mr. John stated that he has been a volunteer for ASP since 1994. Friends of Oracle State Parks would like to write a check for \$4,000 per month for the next 4 months (\$16,000) to help keep the park open. (If the Board doesn't keep the park open, they will not give the Board the money.) In a year's time they had 1,040 volunteer days. They have four concerts planned in March, April, May and June and they could probably give the profits (another \$4,000) to the Board.

Mr. Mike Davis, private citizen, addressed the Board. He stated that he is also Park Manager of Riordan State Historic Park. He thanked the Board for their decision for a grace period at their last meeting. This grace period has allowed them to generate new

ideas for keeping the park open. He stated that staff at Riordan have generated their own proposals for 2009 and 2010. Those opportunities were sent to Operations in Phoenix. He stated that he is pleased to see so many people in this room today. It is always gratifying to see such an outpouring of support for ASP. He is encouraged by the measure of concern expressed here today. This should not become a popularity contest here – there's so much more at stake than who gets the most E-mails or letters. Everything must be considered. He asked that the Board be both informed and fair in making their decision and keep the short-term and long-term picture in mind. He was encouraged this morning when the Board read the ASP Mission Statement at the beginning of the meeting. He believes that is the underlying document behind our agency. Riordan Mansion State Historic Park is a Tier 3 park. To simply walk away would be contrary to our Mission and will have repercussions for years to come. To walk away is an example of throwing out the baby with the bathwater. The legislature needs to understand that. Park closures should be the Board's choice of last resort, and he is sure that is the case. He is encouraged that temporary closures do not mean divestitures.

Ms. Kathi Sanders, concerned citizen, addressed the Board. She noted that all of the state parks are so important. It seems strange to be here talking about this outrageous budget situation just after celebrating the 50th Anniversary of the park system (2008) and now we're talking about closing a number of the parks. She stated she would not repeat what the Board has already heard. She knows Mr. Davis has submitted proposals to keep Riordan Mansion open. It sounds like Oracle and Homolovi have ideas, too. She encouraged the Board to look at all those proposals and see how each park is coming up with solutions for their situation vs. looking at it all. A lot of times a city is able to find ways to help, to create friends programs to assist with budget situations, etc. They have met with Mr. Davis to discuss opportunities with the city to see how the city can help. She would hate to see Riordan Mansion and other parks close without looking at other opportunities with organizations outside the park system.

Mr. Jerry Van Gasse, grassroots advocacy, addressed the Board. He is a four-year resident of AZ. He thanked the Board and staff and all those who preceded him. He knows that a lot of the staff at the parks are the original people (i.e., Tonto Natural Bridge). He knows he's speaking to the choir here. If we could just bottle the Vision and the passion in this room and send it to the legislature, perhaps they could use it. He suspects that most of them have not been to even two of the state parks, yet they control all of the purse strings. The bottom line is that one can't put a value on the physical features of these parks. This agency has never been funded to improve the features of the historic structures. The solution is grassroots support. They fought for 30 years for wilderness protection throughout this city. Outside of Alaska, they have protected more federally in this state. Last year at this time they had high school kids out pushing for Proposition 8 in Phoenix to protect Phoenix parks and mountain preserves and added 1,500 acres just since last May. Ironically, the parks received more votes than the City Council and Mayor in Phoenix. That tells you where the populace's priorities are. He is willing to volunteer those high school students to work for ASP and go after the legislature.

Chairwoman Westerhausen called for a Recess at 12:12 p.m. to allow the Board, staff, and audience time for lunch. She stated that the Recess would last approximately 20

minutes.

Since it appeared that much of the audience had not yet returned to the Council Chambers, Chairwoman Westerhausen moved on to Agenda Item F.

F. BOARD ACTION ITEMS

- 1. Appoint new members to the Off Highway Vehicle Advisory Group (OHVAG)** – The committee recommends that the following two individuals be appointed to fill the vacancies on OHVAG: R. Hank Rogers and David L. Moore and that they each serve a three-year term beginning January 9, 2009.

Board Action:

Mr. Scalzo: I move that the Board appoint R. Hank Rogers and David L. Moore to fill the vacancies on OHVAG and that they each serve a three-year term beginning January 9, 2009. Mr. Landry seconded the motion. The motion carried unanimously.

- 2. Contact Point** – The Board will take action on Lake Havasu City's request for approval of their application to the Bureau of Land Management.

This item was deferred to a future Board meeting.

Chairwoman Westerhausen returned to taking testimony under **Agenda Item E.8.**

E. DISCUSSION ITEMS

- 8. Fiscal year 2009 Arizona State Parks Budget reduction measures** - Including but not limited to; Park closures, reduction of park hours/days of operation, personnel actions, furloughs, reduced work schedules, hiring freezes, salary reductions, reductions in force for covered employees, layoffs for uncovered employees, reducing administrative expenses (Phoenix Office), suspension of grants and the legal ramifications, alternative funding including capital funds, Heritage Funds, Law Enforcement Boating Safety Fund, Off Highway Vehicle "sticker revenue".

Ms. Eileen Gannon addressed the Board. Ms. Gannon thanked the Board for their efforts. Ms. Gannon is a member of the Riordan family that donated Riordan Mansion to ASP for the purposes of keeping it as a State Historic Park. She thanked the Board and Mr. Travous for his diligence. She stated that their family cannot financially keep the mansion and that if it ceases to remain a state park it will be lost as a piece of history to the state. She appreciates the difficult position that the Board is in. She very much appreciates the Board informing the audience of HB2088. She noted that Ms. Rita Gannon, family member, was not present at this time to testify, but would have echoed her remarks that the family cannot keep the mansion.

Mr. Tom Hayes, Chairperson of Benefactors of Red Rock State Park, addressed the Board. He stated that they are concerned about the current fiscal situation. He wants all of the parks preserved and saved. They are not in competition with the other parks in the system. Their friends group has already raised more than \$120,000 over the past four years to try to perform stopgap measures due to the budget crisis that has existed. When he sees that Red Rock is in Tier 3, he wants to make sure the legislature understands that they are critical and asked how the friends groups can help. He noted that they reiterated that they raised \$120,000 for Red Rock State Park and volunteered

12,600 hours annually. With the exception of Kartchner Caverns State Park's outside vendor, their gift shop brings in the most revenue in the system with more than \$140,000. Additionally, the park touches so many people in the community. It is an environmental education park that provides school programs, hikes and recreation. They will be working with the legislature to find alternative funding. He asked how their fledgling friends group can assist in raising money. Over the last four years they have struggled with what they can and can't do. The last thing they would want to do is to raise money to fund staff and then have it swept away by the legislature. He asked what private funds can do to be able to support the parks. His second question was what can they do to prevent those funds from being swept away after all the time and hard work it took to raise them. He noted that they put a lot of work into building a private/public partnership to support Red Rock State Park. He would hate to see that public trust lost with anything that might occur today. That would have a lasting effect far beyond today's budget problems.

Ms. Carol Cullen, Executive Director of the Tubac Chamber of Commerce and Ms. Susan Walsh, Vice President of the Tubac Chamber of Commerce, addressed the Board. They are speaking to the Board today in this capacity. They are also residents of Tubac, AZ. They requested the Board grant a stay of decision on closing the Tubac Presidio State Historic Park and give them a few more weeks. They are requesting additional time to investigate what possibilities exist for raising funds in a public/private partnership to keep the Tubac Presidio State Historic Park open and operating. They will engage the community to a letter-writing campaign to pass HB2088. This is a park that belongs to all the citizens of AZ because Tubac is an indispensable asset. Tubac's cultural and commercial identity is defined by our history. Closing Tubac Presidio would have far-reaching negative effects on tourism and commerce. As their community steps up to support its historic park, they request a stay of execution to allow them time to organize a viable partnership with the ASP Board. They believe this is a solution in everyone's best interests. She thanked the Board for their efforts to save AZ's state parks. She reminded that the Presidio became a park in 1958 – the system's first state park.

Ms. Shifra Leah Boehije, Volunteer at Ft. Verde State Historic Park, addressed the Board. She reiterated her request to the Board to keep this park open and consider allowing volunteers to assist in keeping it open. She stated that she has a mission to save her state park. She read what she will present to the legislature. She stated that she will be in touch by E-mail, letter, and in person to our state legislators to save our state parks. She thanked Mr. Travous for his insight.

Mr. Vic Linoff, Historic Preservation Advisory Committee addressed the Board. He stated that they appreciate the difficult role the Board is in. He believes the Board should honor prior contracts and agreements. He would be remiss if he didn't address some issues of concern the committee will have. As people who have already addressed the Board have stated, there are issues (legal and financial) that will have to be addressed regarding suspension or cancellation of grants that were awarded. Everyone needs to consider long-term consequences and short-term solutions. At some point in time, we will all come out of this. There will be irreparable harm in the short-term. The amounts of the grants were modest. This is the only source of help especially in the area of preservation. He noted a feature in *The Republic* regarding the

top-selling homes. Their funding for one year is less than one of these homes. He suggested that perhaps everyone is rolling over too easily and acquiescing to what the legislature has put forward. We have an obligation to stand up. This is legislature represents the people. Perhaps it's time we stand up and remind them that they created this problem; they need to solve it. We're doing the best we can with what we have. He appreciates all the work the Board is doing.

Ms. Mary Ann Pogaay, resident of Oracle, addressed the Board. She stated that they feel they are a little late since the money is gone. She requested that Oracle be allowed to remain open through July (after their last concert) when they will have the \$16,000 discussed previously. She has 25 years' marketing experience. She requested that the Board keep the park open so that they could hold bicycling events, hold Kiwanis and Rotary meetings, etc. The park is only 4 miles from the Uof A (University of AZ). She noted there is no signage on Highway 77 and a lot of people don't know the park is even there. They could put signs up on the highway indicating the entrance to the park. She asked the Board to give them an opportunity to let them show the Board they can do some of these things. Two weeks ago they had a meeting that drew 100 people from the community. Two Representatives and one Senator attended the meeting. The Senator visited the park for two hours. He is behind them. He is dedicated to the park. She asked that the Board work with them to find ways to make it happen.

Mr. Nick Simonetta, KRB Consulting representing the Off-Highway Vehicle Coalition addressed the Board. He noted that he sees people on the Board he has known for years. He thanked Mr. Travous and ASP staff for the presentation earlier this morning. He referred to the \$500,000 that the Board has received from the OHV sticker program. He noted that it's not quite 2 months old. He stated that according to statute regarding the OHV sticker program, ASP gets 60% of the money that comes through this user driven fee after 30% to HURT. Twelve percent is for administration of the program. Therefore, there is already a statutorily-prescribed anomaly for administration out of that fund. That is money that the agency can use for whatever it wants throughout the year. Using money other than that would be legally problematic. Using the more-than \$500,000 the agency has received for other programs could be legally problematic. The gas tax money is virtually swept every year. He is concerned that the meaning of the \$500,000 is to go beyond the 12% administrative funds allowable by the statute. He believes that people are aware that the legislature is going to sweep funds and the agency has been a big part of that fix. There is no argument on that. They are concerned about issues that go beyond that. He would like clarification on the \$500,000.

The following people did not testify due to being absent when their names were called: Mr. Bob Biegel, Mr. Phil Hanson, Mr. Doug Frerichs, Mr. Cameron Davis, Ms. Heather Amardi, Mr. John Stanton, Ms. Lisa Henderson, and Ms. Ann Naughton.

Chairwoman Westerhausen asked the Executive Director to answer some of the questions raised during public testimony.

Mr. Travous responded that one of the questions related to suspending or canceling grant contracts and what happens. It is up to the cities and city counsels as to what to do about the money relating to those projects. He stated that "suspending" means suspending payments on grants out there now. If the situation changes a year from

now or two months from now, we might be able to resume funding those grants.

Chairwoman Westerhausen noted that each of the grants contain language that allows for suspension under certain circumstances.

Mr. Travous responded affirmatively.

Mr. Landry stated that, after further consultation with Ms. Pulsifer, Chief of Grants, over lunch that the Board is saying those grants that have not commenced as of today (\$3.9M) would be cancelled and they would have to go through the process again.

Mr. Travous responded that if no money has been spent as of today, the Board can cancel them.

Mr. Landry then noted that grants that spent 1% to 90% would be suspended and save the agency \$3M. He asked if he is correct in that the Board is being asked to cancel those grants that have not spend any money yet for a savings of \$3.9M.

Ms. Pulsifer responded that that is correct.

Mr. Landry reiterated that those grants where no money has been spent will be cancelled (\$3.9M). The second category is where there's been anywhere from 1% to 90% spent they would be suspended – not cancelled. As he understands it, under suspension, as soon as the Board gets money from whatever source the Board would resume the program administration. There are some places where the grantees have actually spent money that they haven't apprised us of.

Mr. Ziemann responded that Mr. Landry is right on target. We are talking here about Heritage Funds. We have to deal differently with SLIF because the legislature dealt differently with SLIF.

Mr. Winkleman stated he was confused. According to the slide show where it discusses coming up with \$11.7M in savings it starts out with \$3.9M, which is what he thought was being discussed. The next one says SLIF grants - \$3M. The second category is Heritage Funds.

Mr. Ziemann explained that the \$3.9M in savings is accomplished by canceling Heritage Fund grants that have not begun. The \$3M is from canceling all SLIF grants that are less than 90% complete – if they're above 90% complete they can continue. The additional \$3M is from .

Mr. Landry asked about the Heritage Fund grants that are in process more than 0% and less than 90% (such as at Buckskin Mountain).

Mr. Ziemann responded that amount comes to about \$10.6M.

Mr. Winkleman noted that at some point the Board is going to have to make that decision.

Mr. Travous responded that, at this juncture, any of the money can be used for operations. He doesn't believe staff are saying they are picking one or the other. He believes that staff are saying we need them both. The agency needs all five parts at this juncture to get to February 28th. Staff will come back to the Board at its April meeting after they have reassessed the situation that occurs on February 28.

Mr. Winkleman asked what staff expects will happen to that grant money.

Mr. Travous responded that he expects that it will all go away

Mr. Landry asked if staff are saying there are really two buckets of tests. Bucket #1 is how to get \$28M by February 28th before the Board gets meat cleavered and that part of that is using Heritage Fund grants to get there. The second bucket we have. They are both buckets the Board has to meet. There may even be a third bucket. But the second bucket is what needs to be met in FY09. There is then this separate deficit of some certain or uncertain amount of money that seems to change daily. Ideally, this Board would take a set of actions today that will give clarity on how we are going to operate from this point in time to June 30, 2009. That number, roughly, is somewhere in the area of \$5M from Heritage Grants. There really isn't any SLIF money. That's been gone. What he's trying to say with what Mr. Winkleman is trying to put before the Board is this practice is a moving target. There are multiple targets. One is a cash sweep of \$28M. If it's not there, they'll take it anyway from anywhere. Staff would rather manage it. He understands that.

Mr. Landry noted that the second test is where the potential park closures come in. Staff have recommended various tiers based on their judgment of what might be prudent but the Board has not yet discussed the need and componency of the tiers to meet the \$5M challenge by June 30th that was a \$647,000 challenge just two weeks ago.

Chairwoman Westerhausen asked if Mr. Landry would take the concerns he's just expressed, one component of which is that the Board wants to manage the \$27M rather than have someone manage it for us and suggest what the Board should do.

Mr. Landry responded that he would like to go backwards from June 30th to now and then he'd like to know what cash flow is needed for the \$27M. He wants to know what the Board needs to do today no matter what.

Mr. Travous responded that when this was originally presented to the Board just days after seeing the budget, the \$647,000 only represented the hole staff knew was there on that day. It did not anticipate the money we would continue to drop the rest of this fiscal year. Staff are trying, today, to do two things. One is to take care of this \$27M Sword of Damacles. Once the Board has done that, it gives staff an understanding and foundation to take care of the next one thereafter. Once the Board tells staff what they can do, then it gives staff a month to crunch those numbers and understand what is still needed. Staff know more than \$5M is needed by the end of this fiscal year (after the \$27M is cut) and that an additional \$10M is needed by July 1 (the first day of the new fiscal year). What the Board does about the \$27M gives the Accounting staff time to figure out what needs to be done and where to shift money. He noted that the Board can request the legislature slow down some of the fees they are taking. They have already taken more SLIF funds than is available.

Chairwoman Westerhausen stated that she would like the Director to address the bottom line of suspense until things get better.

Mr. Travous responded it is so the agency's administrative staff know where to shift money and know that there is money for the next month. The agency needs money and believe it will be part of the \$5M when we get to the end of this fiscal year. He

reiterated that he does not believe that money will come back.

Chairwoman Westerhausen noted that some of the questions directed to the Board was what "temporary closure" means.

Mr. Travous responded that closure does not mean divestiture. We are not walking away from the parks. We are not divesting ourselves of our parks. We will keep law enforcement personnel at those parks and shift personnel around the system where they are needed. Temporary means that until the situation rectifies itself (could be two months; could be two years), they will be closed. He suggested that between now and the next Board meeting staff talk with Risk Management and our attorneys and address if a park could be opened for a special event. It would be good, for instance, for Tubac to be opened for DeAnza Days or Oracle for their concerts, etc.

Chairwoman Westerhausen noted that representatives from Oracle and Riordan have made proposals to keep their respective parks open.

Mr. Travous responded that the \$4,000 per month offered for Oracle is not enough to cover the operation of that park nor allow the agency to use staff from that park in places that are very understaffed. He does not believe Risk Management will allow the parks to be run by volunteers because of liability issues even though they say they are willing to give up park liability.

Mr. Landry asked if volunteers can sign indemnification documents to the state giving up any rights to sue the state if they are hurt at the parks. He noted that Risk Management takes rigidity to a new form of rigidity.

Mr. Travous deferred this question to the Assistant Attorney General.

Mr. Winkleman stated he is not so much concerned with the volunteers getting hurt. It is more that they lack the training (EMT, law enforcement, rescue, waste water treatment, etc.) the park staff have.

Mr. Scalzo added that if we don't make some adjustments, including possibly closing some of these parks, as we get closer to June, we will be closing more parks unless we get money from HB 2088. He loves these parks; all of the Board does. The reality is that if we don't take some action now, there will be more closings and the Board will lose control of what we have. He is concerned we will come together in April and have to close tiers one, two, and three early. He doesn't want to do that. Some of the tier one parks need to be closed for repair anyway. While there are a few exceptions, the Board does not have a lot of options. He does not want to prolong this agony for everyone here and the greater community. He does not want to have to go tiers two and three sooner.

Chairwoman Westerhausen asked the Executive Director to explain the criteria being used to close parks.

Mr. Travous responded he agrees with what almost everyone has said. Many of the staff at parks have called him with ideas. The fact is that the legislature has not asked us to transfer nuances. In the final analysis, what the legislature wants is money. We can't measure parks by numbers. It is where people and families get in touch with their history; it's where people get in touch with nature; it's where families get in touch with each other. Staff had to look at cost-per-visitor at each park; they looked at in-state

visitors vs. out-of-state visitors. Staff added Tonto and Jerome to that mix because they are literally falling down. They are really closing themselves. He added that when the legislature passes a law and the Governor signs it, they can do whatever they want. They said that any money remaining that the legislature has not touched can be used to make the agencies work. People need to get in touch with their legislators and ask for our money to be returned.

Chairwoman Westerhausen asked if that would answer the question from the last speaker regarding the OHV sticker money.

Mr. Travous responded that in his recommendations to the Board he said "explore". He would make sure using OHV sticker money is legal before using it.

Mr. Landry stated there has been discussion in the past regarding the sticker program that the Department of Motor Vehicles wants money for administration. He asked if staff needs affirmation from the Board that 60% of the money comes to the Board.

Mr. Travous responded that it wouldn't hurt to have it on the Record. They have not set the program up yet and are holding on to the money with the assumption that they are going to get some of it. He anticipates that \$500,000 would be there by the end of the fiscal year.

F. BOARD ACTION ITEMS

- 3. Fiscal year 2009 Budget revisions.** The Parks Board will take actions regarding the FY2009 budget

Board Action

Mr. Scalzo: I move that, in order to address budget cuts imposed by the legislature, the Arizona State Parks Board authorize the Director to take necessary measures including but not limited to, continuing to implement criteria for cost cutting evaluations; to ensure to the extent possible that any budget decisions are applied uniformly and fairly; suspending or canceling grants; temporarily closing McFarland, Tonto, Homolovi, Oracle, and Jerome State Parks; moving funds; transferring personnel; implementing furloughs, reductions in force, and lay-offs of personnel; canceling contracts with Dept. of Vehicles and other hard assets related to administration; and place a time limit to June 30, 2009 unless extended by the Board. The Director will report back to the Board relating to all actions taken at the next meeting.

Mr. Colton seconded the motion.

Mr. Landry spoke to the motion. He wished to ask several questions before stating why he is currently not in favor of all parts of the motion. He stated he thought that if the Board closes Tonto Natural Bridge State Park and keeps a caretaker, it would net \$142,000 in savings. He has \$60,000 for Jerome. McFarland was already closed. He also thought Tonto and Jerome have to be closed for safety reasons. In the summary of Tier One, savings would be \$583,000. He asked if the \$142,000 for Tonto with one caretaker left there is a net/net savings. He asked if the \$0 really is \$0.

Mr. Travous responded that the \$0 is really \$0. The problem is the \$142,000. McFarland is the \$142,000. The reason for the \$0 at Tonto is that Tonto generates so much revenue that we don't gain money by temporarily closing Tonto. That park makes a

lot of money. It needs to be temporarily closed in order to get everyone in to make the necessary repairs so that it can be reopened.

Mr. Landry stated that Homolovi is a Tier 11 to him. He would like staff to get with the Hopi representatives next week before closing the park. There may be a possibility we can prevent that closure. They have offered not only law enforcement support but also their willingness to meet and confer with staff while they are here either February 24th or 25th. He believes that there may be a real possibility of avoiding closing that park. He will not support closing Homolovi. He wants to make that clear to the one who made the motion. Regarding Oracle, he heard an offer of \$4,000 per month through the end of the year to keep that park open. He asked if that buys any time in the closure.

Mr. Travous responded that the figure of a savings of \$218,000 is annualized. The savings to the end of this fiscal year will not be that much. He added that we have to move personnel.

Mr. Landry asked between now and June 30th what non-annualized expenditures are that we need to offset somewhere else if we want to keep Homolovi and Oracle open.

Mr. Travous responded that the easy thing would be to move 1/3 of \$218,000 which would be closer to \$70,00. The Board also has to include the cost of not moving park personnel to other parks that are severely understaffed.

Mr. Landry stated that he believes that it is premature to close Homolovi and that he cannot support closing the park today. Staff can meet with Tribal representatives about funding next week.

Chairwoman Westerhausen noted that Mr. Landry wants to delay closure of Homolovi and Oracle.

Mr. Landry stated that, regarding the Tier One closures, 1167 is statute. Fees began being collected in January. Staff estimate that ASP will get 60% of that money by June 30th.

Chairwoman Westerhausen tried to interpret Mr. Landry's comments. She hears him saying he would like the Board to consider delaying closure of Homolovi based on possible meetings with the tribes next week. With regard to Oracle, she believes his position is that if the Board is only \$57,000 short to the end of the year, is there a way is there a way to cover that shortfall.

Mr. Landry responded that it's sort of that way but different. If he knew more about whether the exploration of the 1167 were such that the Board had flexibility and if we actually had cash, could that be applied to that or some other state park on Tier One, Two, or Three. It's more of a broader policy question than specifically Oracle. Because Oracle is in the motion, it triggers his question.

Mr. John told the Board that they have \$30,000 in CDs that they can have in July. His question is if they can come up with \$30,000 rather than \$14,000 would it make a difference.

Mr. Scalzo stated that there are a couple of issues here. If the Tribal community comes up with the necessary funds to operate Homolovi for the remainder of this fiscal year,

he will support it. If Oracle could come up with the majority of the money then it may be possible to keep that park open. We are talking about possibilities and things that haven't happened. His motion was to take some action and allow the Director to have some evaluation and criteria for these closures. Tier One had the effect of not closing additional parks earlier. If funds come from private donations and/or tribal communities to make it happen, he believes all the Board members would agree with it.

Mr. Landry stated that Aristotle said that the best form of government was a benevolent dictatorship. Staff come at things with their perspectives and their stewardship and their motives are good. The Board members have a different fiduciary perspective. The way the statute reads is that they make recommendations and the Board make motions. He is not willing to delegate park closures to staff. He is certainly willing to delegate decisions on dollars from grants. There is probably money set aside in the stimulus. When will we know if we can tap that for something like this? Tribal revenues are down dramatically just like everyone else. They didn't offer to simply write us a check. They have saved us hundreds of thousands of dollars in what they contribute to that park in education, archaeological research and cultural research, etc. He doesn't think it's fair to tell a tribal community who has offered to work with us for a check. He will not delegate to the staff which parks close. If the majority of the Board is not with him – fine.

Mr. Winkleman stated he is still confused with the numbers and is unwilling to close particular parks until he understands it a little better. He asked to put the PowerPoint presentation back on the screen. He referred to the slide that asks how we continue operating through September 30, 2009. The next slide lists a number of different things that add up to \$1.7M. This doesn't include Heritage Fund grants that have started. That money is sitting off somewhere.

Mr. Travous agreed.

Mr. Winkleman noted that in the \$15M problem, there are obviously issues with OHV and what not, we think we've covered the \$11.7M problem in the proposal. So, on the next slide we're looking for \$3.3M more.

Mr. Travous agreed.

Mr. Winkleman then went to the slide relating to Park closures. In Tier One staff say the Board can save almost \$600,000 of the \$3.3M that remains.

Mr. Travous responded that that is annualized savings. This is how staff are trying to get to June 30th first. We have to transfer money back to the cash flow because we're short. He doesn't think we're there yet. We have to get the two thresholds of the \$27M next week and then \$5M by the end of this fiscal year.

Mr. Winkleman noted that the proposal says we have to get \$27M and walks us through how to get there. Part of that is to close parks. This says that on an annualized basis the savings would be \$585,000. On the next slide, the parks are broken into tiers that show some options. We have a \$3.3M problem and may have solved \$600,000 by closing two parks. We still have a \$2.7M problem.

Mr. Winkleman noted that the last thing in the proposal are RIFs, lay-offs, and furloughs. He asked how confident staff are that that adds up to \$2.7M.

Mr. Travous responded that that includes Tiers Two and Three. He doesn't know that we're there yet. What he's saying is that staff will have to come back to the Board in April (or earlier if another meeting is scheduled). The next phase of this includes the next year of parks and the RIFs.

Mr. Winkleman noted that the list of RIFs includes 18 Phoenix positions. He asked what they relate to.

Mr. Travous responded that he did not have that information with him.

Mr. Winkleman stated that he is trying to understand. He feels for the Director as the director of another agency who is trying to do the exact same thing. A lot of trade-offs have to be made. To get to the bottom line there needs to be some sense of whether to do a RIF, furloughs, etc. There has to be some kind of dollar figure assigned to it.

Mr. Travous responded that the problem he has is that, depending on what the Board does triggers the staff's work in the office and makes certain positions more important or less important over the next month. Once the Board decides the direction the agency is going, the he has to reassess the Phoenix Office staff because he needs to know which areas are going to be more important to the Board over the next year or two.

Mr. Winkleman stated that if the Board voted to close all of the Tier One parks, wouldn't that affect the Phoenix Office. We can't just close down the Phoenix Office. Somewhere there's a trade-off. Surely there's a position in Phoenix that makes a difference in one of the parks. He doesn't have enough information to understand where that trade-off is. He's concerned about voting to close a park when he doesn't know what that means to the home office. He asked if there's any way to quantify that.

Mr. Travous responded that the only way to quantify that is to determine what the Board thinks is best categorically, re-analyze it, and bring it back to the Board. There will be people who, going forward, will not contribute as much as they do now. It would include not just people who are important to the parks; we have grants staff as well. What the Board does has a huge impact on what is done in the office. He's trying to delay all of that until he understands what direction to go after the Board makes its decision today.

Mr. Winkleman stated how he can make a decision if he was told that agency was going to lay-off 18 people in Phoenix Office, close Homolovi, close Oracle but doesn't know the financial impact. If the Board votes today to close Tier One, he doesn't feel he has the information to understand what that means at all. It just means that the Board is closing some parks. He doesn't know what that means to other aspects of the operation.

Mr. Travous responded that he believes that the opposite is happening here. Some of the parks are in Tier Two and Three and some of the people have not been laid off. He's not willing to go there yet. He's been trying to manage this on a compartmentalized basis as best he can.

Mr. Landry stated that he wanted to table the motion, which is not debatable by the second, and propose a substitute motion that will deal with Mr. Winkleman's issues.

Mr. Winkleman stated he would rather hear the motion on the floor again. It appears

to him that the Board is being asked to close parks without enough information.

Mr. Landry asked if Mr. Winkleman would have a better comfort level, knowing that Tonto, McFarland, and Jerome have to be closed for safety issues, are kept. Most of Mr. Scalzo's motion is about letting the Director have discretion on the things the Board talked relating to the Heritage Fund grants. What should really be driving the Board is the \$27M that is due the end of February. The Board has to make so many decisions, and the information changes almost daily. He suggested that the Board needs to stair stack this. He has concerns about the information. He suggested moving to close certain parks, move to take the other actions on the Heritage Fund Savings, and then have a special meeting the first week in March after getting through the 28th of February. By that time a lot of the questions the Board is asking will be answered. He's not blaming staff. Then perhaps staff meet with the Hopi. There are opportunities for Oracle.

Mr. Winkleman asked if Mr. Landry is suggesting taking the \$11.7M +/- and implementing it immediately and meet as soon as possible to see where we're at.

Mr. Landry responded that after the \$27M raid/sweep occurs and then meet at the end of the following week and get the questions they asked staff answered and allow more public input the can then make those decisions. He's uncomfortable delegating closure to anyone.

Chairwoman Westerhausen called for a Recess at 2:15 p.m.

Chairwoman Westerhausen Reconvened the meeting at 2:20 p.m.

Mr. Colton asked, based on the motion on the floor, how the Board resolves the \$27M problem for this month. Are we short for the \$5M at the end of this fiscal year; if so, how short are we. He's not entirely sure that this issue has been resolved. It's not just a matter of whether to close these Tier One parks.

Mr. Travous responded that the legislature is taking \$4.5M from the Enhancement Fund. They add up to the \$26.7M. That will be satisfied. The problem is that they're satisfying it by taking more money than we have. That is about \$5.5M. They are taking the \$27M. We are trying to get the \$5M to get us to the end of this fiscal year.

Mr. Colton noted that basically there is a \$5M accounting error.

Mr. Travous added that the motion on the floor allows the agency to address the \$5M shortfall. We'll have to take \$5M out of the Heritage Fund and put it immediately into this fund to try to make the agency cash-solvent. We are probably in the hole because we haven't made up that \$5.5M yet.

Mr. Colton asked if the Board is putting itself more in the hole if they delay any item for another week, month, or month-and-a-half.

Mr. Travous responded that we lose on two fronts. One is by not fixing the problem, every day we fall farther behind. Second, because of the Enhancement Fund, not having parks open we are losing revenue we need to make it to the end of the fiscal year. We should generate several million dollars by the end of this fiscal year.

Mr. Colton responded that he does not want to close any park; this is a difficult decision. A delay in action may make the problem worse. He is incensed by a

legislator who helped get us here by voting for the budget and is now insisting that we have to keep one park in his district open. The second thing he would say is that the offers the Hopi and Friends of Oracle have made are wonderful. He believes that if those funds are kept in a private account the state won't be able to get at them. It may be that the ultimate solution for all of the parks would be to have 28 private accounts.

Mr. Travous noted that in 2002 we had donation to keep McFarland open. When the legislature saw that, they took the same amount of the donation out of our General Fund Budget.

Chairwoman Westerhausen asked counsel what the Board should do now. There was discussion of tabling the motion on the floor earlier in this discussion.

Ms. Hachtel responded that the Board still has a motion on the floor that was made by Mr. Scalzo and seconded by Mr. Colton. At this time the Board either moves forward with a vote on the motion on the floor or may take a substitute motion.

Mr. Scalzo stated he was ready to withdraw his motion. Mr. Colton agreed with the withdrawal of the motion.

Mr. Landry stated the circumstances under which he could support a motion at this time.

Mr. Scalzo rescinded his motion on the floor. Mr. Colton, as the second, agreed.

Board Action

Mr. Scalzo: I move that, in order to address budget cuts imposed by the legislature, the Arizona State Parks Board authorize the Director to take necessary measures including but not limited to, continuing to implement criteria for cost cutting evaluations; to ensure to the extent possible that any budget decisions are applied uniformly and fairly; suspending or canceling grants; temporarily closing McFarland, Tonto, and Jerome State Parks; moving funds; transferring personnel; implementing furloughs, reductions in force, and lay-offs of personnel; canceling contracts with Dept. of Vehicles and other hard assets related to administration; and place a time limit to June 30, 2009 unless extended by the Board. The Director will report back to the Board relating to all actions taken at the next meeting.

Mr. Landry seconded the motion.

Mr. Landry noted that his understanding of the motion is that the Director and staff have authority to implement what they presented to the Board; that the limits are to temporarily close three parks (McFarland, Tonto, and Jerome); and that they will suspend or cancel grants as discussed.

Mr. Scalzo re-read his motion.

Mr. Colton stated that this is difficult for him. He wants to support the motion. He believes that the Board is postponing the inevitable. He doesn't believe there will be any stimulus money.

Mr. Landry responded that he respected Mr. Colton's feelings. The Board does not have all the pertinent information. However, there are fundamental numbers and hours and questions. He feels he needs better information before he can vote to close certain parks. The Board can come back in three weeks and get that information and

make that decision at that time. With the motion today the Board is giving the Director what he needs at this point in time while keeping all the Board's options open. When the Board meets again in two or three weeks, things may be even worse as it is today from February 3.

Mr. Winkleman stated he shares Mr. Colton's concerns, but he will support this motion. He requested that another Board meeting be scheduled as soon as possible after February 28th. He noted that at the last meeting he asked staff to come back with options and they did so. He requested that at the next Board meeting staff come back with dollar amounts attached to those options so that the Board can make decisions based on these options and what the financial implications are. He noted that the Board needs to be mindful of 2010 because the choices the Board makes now will affect decisions they will have to make for that fiscal year.

Mr. Scalzo stated that this is not an ideal motion. The problem is that we are trying to take actions imposed on us in a rapid way. He cautioned the audience to understand that these three closures are not the only parks that will have to be closed. It is impossible to just patch this up. The agency is recovering from 2003 and has not had enough push from the public. The ASP Foundation and the Friends groups cannot be the only voices out there. People have to get to their elected officials and get them to support HB2088. Things are getting worse – not better.

Chairwoman Westerhausen called for a vote on the Motion on the Floor. The Motion carried with Mr. Landry, Mr. Scalzo, and Mr. Winkleman voting Aye, Mr. Colton, regrettably, voting Nay, and Chairwoman Westerhausen not voting.

4. The Board may decide to take action regarding hiring an Executive Director

No action was taken on this Agenda Item.

G. PRESENTATIONS

1. Morrison Institute – Grady Gammage

Mr. Gammage was not present to give his presentation.

3. 2009/2010 Budget Options

This presentation was given earlier in the meeting.

H. TIME AND PLACE OF NEXT MEETING AND CALL FOR FUTURE AGENDA ITEMS.

1. Staff recommends that the next Arizona State Parks Board Meeting be on April 3, 2009 at the Old City Hall of Yuma Council Chambers located at 180 W. First Street, Yuma, AZ.

The April 3, 2009 Parks Board meeting will be held in Phoenix. Any special meeting called prior to that date will also be held in Phoenix.

2. Board members may wish to discuss issues of interest to Arizona State Parks and request staff to place specific items on future Board meeting agendas.

There was no discussion on this Agenda Item.

I. CALL TO THE PUBLIC

There was no public remaining.

J. ADJOURNMENT

Mr. Winkleman made a motion to Adjourn. Mr. Colton seconded the motion. Chairwoman Westerhausen adjourned the meeting at 2:42 p.m.

Pursuant to Title II of the Americans with Disabilities Act (ADA), Arizona State Parks does not discriminate on the basis of a disability regarding admission to public meetings. Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the acting ADA Coordinator, Karen Farias, (602) 364-0632; or TTY (602) 542-4174. Requests should be made as early as possible to allow time to arrange the accommodation.

APPROVED:

TRACEY WESTERHAUSEN, VICE CHAIRWOMAN

KENNETH E. TRAVOUS, EXECUTIVE DIRECTOR